

governing a trust executed prior to the effective date of this Article shall be construed to be a reference to this Article.

(d) This Article does not apply:

(1) Unless the provisions of the trust provide otherwise by specific reference to this Article, to:

- a. Trusts under any federal employee retirement income security statute or other retirement or pension trusts;
- b. Trusts which are created by legislative act;
- c. Trusts which are created by or pursuant to premarital or postmarital agreements, divorce settlements, settlements of other proceedings or disputes;
- d. Transfers under the Uniform Transfers to Minors Act;
- e. Transfers under the Uniform Custodial Trust Act; or
- f. Honorary trusts, trusts for pets, and trusts for cemetery lots.

(2) To trusts imposed or required under another chapter of the General Statutes or by rule in which the investment of the trust funds is regulated by the other chapter or by rule, unless a provision of the other chapter or the rule provides otherwise by a specific reference to this Article.

(3) To:

- a. Constructive trusts and resulting trusts;
- b. Guardianship, conservatorship, and estates managed by personal representatives;
- c. Trust accounts as defined in G.S. 53-146.2, 54-109.57, 54C-166, and 54B-130; or
- d. Business trusts providing for certificates to be issued to beneficiaries, common trust funds, voting trusts, security arrangements, liquidation trusts, and trusts for the primary purpose of paying debts, dividends, interests, salaries, wages, profits, pensions, or employee benefits of any kind, and any arrangement under which a person is nominee or escrowee for another.

"§ 36A-162. Standard of care; portfolio strategy; risk and return objectives.

(a) A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

(b) A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

(c) Among circumstances that a trustee shall consider in investing and managing trust assets are any of the following as are relevant to the trust or its beneficiaries:

- (1) General economic conditions;
- (2) The possible effect of inflation or deflation;